



# WFSGI COMMUNICATION ON ACTION

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## Reporting Template

<b>Company Name:</b>	Specialized Bicycle Components
<b>Type of Company:</b>	Brand
<b>Number of Employees</b>	1542
<b>Country:</b>	United States
<b>Filled in by:</b>	
<b>Name:</b>	Troy Jones
<b>Position:</b>	Corporate Social Responsibility Manager
<b>Email:</b>	troy.jones@specialized.com
<b>Phone number:</b>	+852 6795 6522
<b>Date:</b>	31 December, 2017
<b>Reporting period:</b>	1 January to 31 December 2017

After you complete this document, please send a copy to WFSGI (preferably by email) to:

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Email: [kbrazYTE@wfsGI.org](mailto:kbrazYTE@wfsGI.org)

or

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## Part A

### Commitment to the WFSGI Code of Conduct: Statement by Senior Decision-Maker

Provide a statement from a senior decision-maker of the organization (e.g. CEO, Chair, Senior Corporate Responsibility Manager, etc.) that expresses continued support for the WFSGI Code of Conduct and ongoing commitment to its provisions. Please include the individual's name and job title at the bottom of the statement. The statement could include:

- The importance of commitment to the principles of the WFSGI Code of Conduct
- Key corporate responsibility issues for the company
- An outlook on the organization's main challenges
- An overview of CR governance at the company
- Broader trends (i.e. political or economic) that affect the company and its corporate responsibility performance, etc.

The statement can include links to the relevant section of the member's corporate website where more detailed information is available.

Maximum word count: 400 words

Specialized's mission is to be the best cycling brand in the world and that mission reaches beyond delivering the best cycling products available. We recognize that the decisions we make have social and environmental impacts and that we are responsible for minimizing them. Our [Sustainable Innovation Program](#) is an ongoing effort to address this commitment in a meaningful and sustainable way.

As part of our [Sustainable Innovation Labor Practices](#), Specialized has adopted the WFSGI code of conduct and actively promotes compliance throughout our supply chain through our participation in the Responsible Sporting Initiative (RSI) and our Supplier Audit process. We believe adoption of the WFSGI code of conduct is the best way to promote the Conventions of the International Labor Organization (ILO) and the United Nations (UN) Declaration of Human Rights in collaboration with our industry peers.

Jon Goulet, Director of Quality, Specialized Bicycle Components, 2017

## Part B

### Description of Actions Taken during the Reporting Year to Implement the WFSGI Code of Conduct

#### B.1 Programs and Actions

Provide a description of practical actions that the company has taken (or plans to undertake) to implement the WFSGI Code of Conduct. This includes programs or activities that address specific areas such as human rights, decent working conditions, community involvement, the environment, etc. For example:

- Operating programs to implement own or other Codes of Conduct
- Operating environmental programs (including waste reduction, responsible usage of water and energy resources, recycling practices, hazardous waste management policies, fuel reduction, etc.)
- Employee education and training programs
- Supplier capacity building and training programs (including human resources management, health, safety & environment)
- Community Affairs programs (including charities, sponsorships, corporate volunteering, corporate giving, etc.)



*The statement can include links to the relevant section of the member's corporate website where more detailed information is available.*

Maximum word count: 400 words

Specialized is a founding member of the Responsible Sporting Initiative (RSI) initiative of the World Federation of the Sporting Goods Industries (WFSGI). Through our continued participation in this project, we are actively promoting the WFSGI code of conduct throughout our supply chain. In addition to our activities in facilities shared with other RSI members, we implement the WFSGI code of conduct in supplier facilities which are exclusive to Specialized.

In addition to implementation of our Code of Conduct via the RSI and our Supplier Audit process, Specialized implemented the following programs in 2017:

Specialized CSR, Regulatory Compliance and Operations staff surveyed the environmental certifications of suppliers in China who were likely to be subject to increased regulatory requirements of the China Water 10 initiative. Through this effort we were able to proactively engage these suppliers to improve their air and water discharge.

Specialized CSR staff conducted Environmental Health and Safety (EHS) training for staff in our operation hubs throughout Asia. Through this effort we were able to enable our engineering and quality staff to identify and remediate common EHS issues.

Specialized CSR staff conducted a pilot project at a joint venture Carbon Fiber production facility in Vietnam to develop EHS monitoring and remediation processes, procedures and tools.

In 2017, Specialized implemented a supplier approval and onboarding process which requires that suppliers be evaluated for their ability to meet our labor and environmental requirements prior to engaging them.

## **B.2 Policies**

*Briefly describe any company policies that are relevant to the WFSGI Code of Conduct. For example:*

- *Non-discrimination policy*
- *Environmental policy*
- *Child labor policy, etc.*

*The statement can include links to the relevant section of the member's corporate website where more detailed information is available.*

Maximum word count; 400 words

Specialized's internal employment practices comply with applicable labor laws in all locations and are consistent with the WFSGI code of conduct and contain specific provisions promoting respect for people (prohibition of harassment and abuse), as well as promoting ethical business conduct (prohibition of bribery).

## **B.3 Collaborations & Memberships**

*List any relevant collaborations and memberships of corporate responsibility initiatives and programs. For example:*

- *Business Social Compliance Initiative (BSCI)*
- *Ethical Trading Initiative (ETI)*
- *Fair Labor Association (FLA)*
- *Fair Wear Foundation (FWF)*
- *Social Accountability International (SAI), etc.*



*The statement can include links to the relevant section of the member's corporate website where more detailed information is available.*

Maximum word count: 400 words

Specialized is a founding member of the Responsible Sporting Initiative (RSI), and we continue to support this collaborative effort to implement Corporate Social Responsibility (CSR) principles across the entire bike industry supply chain.

Specialized is an active member of the World Federation of Sporting Goods (WFSGI) Corporate Responsibility Committee and supports this groups mission to provide guidance and leadership on CSR issues to the the broader sporting goods industry.

Specialized Bicycle Components founded The Specialized Foundation <https://www.specializedfoundation.org/> and continue to support its efforts to use cycling as a tool for children to achieve academic, health and social success.

## B.4 Certifications & Awards

*List any relevant corporate responsibility certifications or awards that your company has received. For example:*

- OHSAS 18000 certification
- ISO 26000 certification
- SA 8000 certification
- ISO 14000 certification, etc.

*The statement can include links to the relevant section of the member's corporate website where more detailed information is available.*

Maximum word count: 400 words

N/A

## Part C

### Progress against Previously Set Targets

*Provide information about the company's progress against relevant targets or performance, or other qualitative and/or quantitative measurements of results. For example:*

- Reduction in the number of accidents at the workplace
- Progress against energy saving targets, water saving targets, emission reduction targets
- Use of more environmentally-sound materials
- Phase-out of critical chemicals, etc.

*The statement can include links to the relevant section of the member's corporate website where more detailed information is available.*

Maximum word count: 400 words

Specialized initiated, or shared in 6 full supplier audits as part of the Responsible Sporting Initiative (RSI).

Specialized CSR staff conducted 28 site visits in 2017. These visits included:

- An evaluation of Environmental Health and Safety procedures
- Training in best practices for the given manufacturing processes



-A remediation plan and timeline to implement needed improvements  
Specialized CSR staff conducted training for SBC staff in each of our 6 manufacturing hubs.

## Part D

### Goals & Targets

*List your long-term goals and priority targets for the next reporting period, and highlight priority areas the company intends to focus on in the next planning cycle. This section should illustrate the continuous improvement that the company is striving to achieve.*

*The statement can include links to the relevant section of the member's corporate website where more detailed information is available.*

Maximum word count: 400 words

By the end of 2019, Specialized plans to achieve the following goals:

All tier 1 suppliers audited and engaged in a corrective action plan

Created a best practice library for EHS issues in bike manufacturing to be shared publicly and within the RSI

Create and implement specific requirements for suppliers who hire foreign migrant workers.



## Submission Deadlines for the Communication on Action (COA)

All member organizations are asked to submit their first COA to the WFSGI by December 31, 2016. This establishes a 'line in the sand' for the SGI. This first submission should cover one year's actions and progress and should align with your standard reporting year. In future, any company wishing to become a member will have to submit a COA along with their membership application.

Thereafter, member companies will be asked to report at least every two years. Companies can choose to report annually – this may be easier for those with annual reporting cycles. Each COA will have to cover actions and progress over the previous one or two years and the submission deadline is six months after the end of the company's reporting period. For example, if you are reporting for the period from April 1, 2016 to March 31, 2018, the COA is due on or before September 30, 2018.

In the event of an anticipated delay in submitting the COA, the organization may request an extension of the deadline by three months, providing a reasonable explanation for the delay and stating the date when the COA will be available. In the event that the member organization is not able to provide the COA, it should explain the reason to the WFSGI (the so-called "Comply or Explain" principle).

For further information on the COA, please contact Mr. Marc Magnus at [mmagnus@wfsgi.org](mailto:mmagnus@wfsgi.org) or Ms. Karolina Brazzite at [kbrazzite@wfsgi.org](mailto:kbrazzite@wfsgi.org).